

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268

DSCF STANDARD MAIL LOAD LEVELING

Docket No. N2014-1

**OPPOSITION OF THE UNITED STATES POSTAL SERVICE TO  
THE PUBLIC REPRESENTATIVE'S MOTION TO COMPEL  
RESPONSE TO PR/USPS-T1-25**  
(February 12, 2014)

On January 24, 2014, the Public Representative submitted a third set of interrogatories to United States Postal Service Witness Linda Malone (USPS-T-1), including the following:

**PR/USPS-T1-25**

The Postal Service recently announced plans to delay Phase 2 of its Network Rationalization Initiative.

- a. Please confirm that the Postal Service plans to delay Phase 2 of its Network Rationalization Initiative. If not confirmed, please explain.
- b. Please discuss and explain in detail the interaction between the Load Leveling Plan and Mail Processing Network Rationalization (MPNR).
  - i. Please provide the savings realized as a result of Phase 1 of MPNR.
  - ii. Please provide an estimate of how implementation of the Load Leveling Plan will impact savings realized from Phase 1 of MPNR.
  - iii. Please provide the estimated savings expected to be realized through implementation of Phase 2 of MPNR.
  - iv. Please provide an estimate of how implementation of the Load Leveling Plan will impact savings expected to be realized from Phase 2 of MPNR.
- c. Did Phase 1 of MPNR impact the volume of mail delivered on Mondays? Please identify, describe, and provide all documents detailing the impact of Phase 1 of MPNR on the percentage of volume delivered on Mondays.
- d. Is Phase 2 of MPNR expected to impact the volume of mail delivered on Mondays to meet service standards? Please identify,

- describe, and provide all documents detailing the impact of Phase 2 of MPNR on the percentage of volume delivered on Mondays.
- e. Did Phase 1 of MPNR impact the percentage of carriers on the street after 1700? Please identify, describe, and provide all documents detailing the impact of Phase 1 of MPNR on carriers working after 1700.
  - f. Will Phase 2 of MPNR impact the percentage of carriers on the street after 1700? Please identify, describe, and provide all documents detailing the impact of Phase 2 of MPNR on carriers working after 1700.<sup>1</sup>

On January 31, 2014, the Postal Service filed objections to the above identified interrogatory.<sup>2</sup> The objections were based on the fact that the interrogatory requested information not relevant to the current docket and previously covered in PRC Docket No. N2012-1.<sup>3</sup>

On February 5, 2014, the Public Representative filed a Motion to Compel the Postal Service to provide a response to the above identified interrogatory.<sup>4</sup>

### **Argument**

#### **I. Neither The Results Of Network Rationalization, Nor The Interaction Between Network Rationalization And Load Leveling, Fall Within The Limited Scope Of The Request In This Docket.**

The request for an advisory opinion in this case is focused and limited in scope. The Postal Service seeks an advisory opinion as to whether the very narrow DSCF Standard Mail service change resulting from its Load Leveling Plan conforms to applicable policies in Title 39, United States Code. As explained in the Postal Service

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<sup>1</sup> Public Representative Third Interrogatories and Requests for Production of Documents to United States Postal Service Witness Malone (PR/USPS-T1-21-29), PRC Docket No. N2014-1 (Jan. 24, 2014).

<sup>2</sup> United States Postal Service Objection to Public Representative Interrogatory (PR/USPS-T1-25) ("Postal Service Objection"), PRC Docket No. N2014-1 (Jan. 31, 2014).

<sup>3</sup> The Postal Service has not generated an estimate of cost savings that could result from the Load Leveling service change under review in the instant docket. Nor has it performed any analysis to determine the nature of any relationship between such savings and the costs savings to be realized from the Docket No. N2012-1 Network Rationalization initiative.

<sup>4</sup> Public Representative Motion to Compel Response to PR/USPS-T1-25 ("Motion to Compel"), PRC Docket No. N2014-1 (Feb. 5, 2014).

Objections, inquiries requesting specific information about Network Rationalization are not relevant to the issues raised or relied on by the Postal Service in this docket.<sup>5</sup>

Rule 3001.74 requires that a request for an advisory opinion include “information and data and such statements of reasons and basis as are necessary and appropriate to fully inform the Commission and the parties of the nature, scope, significance and impact of the proposed change in the nature of postal services and to show that such change in the nature of postal service is in accordance with an conforms to the policies established under the Act.” At issue in this docket is a Load Leveling Plan that addresses Standard Mail that is entered at a Sectional Center Facility, and that qualifies for a Destination Sectional Center Facility (DSCF) discounted rate. Specific information regarding the anticipated or actual results of Network Rationalization has no relationship to the Postal Service’s showing that the Load Leveling Plan is in accordance with Title 39.

The Public Representative asserts that the Postal Service is advocating that the Commission look at the Load Leveling Plan “in a bubble.”<sup>6</sup> This is not accurate, as the Postal Service’s request, testimony, and operations tests all took place in the context of the existing network. Alternatively, the Public Representative’s approach would significantly expand the scope of this docket by requiring the examination of any number of past, parallel, and future operational or service change initiatives. The Public Representative’s approach to review of service changes seeks data that are not relevant or necessary to the Commission’s advice regarding the nature of the service

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<sup>5</sup> Postal Service Objection at 2.

<sup>6</sup> Motion to Compel at 3.

change currently under review, and would go well beyond the bounds of 39 U.S.C. § 3661(b) and Rule 3001.74.

To support her position, the Public Representative provides a list of reasons that seek to make the interrogatory appear relevant to Load Leveling.<sup>7</sup> However, the Public Representative fails to demonstrate why the requested information is relevant. Specifically, there is no explanation about why the savings realized as a result of Network Rationalization and any potential impact of Load Leveling on such savings would be relevant, as requested in subpart (b) of PR/USPS-T1-25. As the Postal Service explained in response to PR/USPS-T1-21, the Postal Service is of the view that an advisory opinion regarding whether the Load Leveling service change comports with Title 39 can be issued without an estimate of what those cost savings are expected to be.<sup>8</sup> It is telling that the Public Representative did not challenge this response, nor did the Public Representative ask for a Load Leveling cost savings estimate in this case during discovery. Despite these facts, the Public Representative still asserts that the impact on a cost savings estimates from another case is relevant to the instant case.

The Public Representative also asserts that the Postal Service has not provided sufficient information to determine whether Network Rationalization has led to an increase in carriers delivering mail past 1700 to demonstrate the relevance of subparts (e) and (f) of PR/USPS-T1-25.<sup>9</sup> The Public Representative, however, does not explain why such a determination is relevant to the evaluation of Load Leveling. The time to have inquired about any potential impact of Network Rationalization on carrier overtime

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<sup>7</sup> *Id.*

<sup>8</sup> Response of the United States Postal Service to Public Representative Interrogatories Redirected from Witness Malone (PR/USPS-T1-21, 24(e), 26, 28-29), PRC Docket No. N2014-1, (Jan. 31, 2014).

<sup>9</sup> Motion to Compel at 4.

was during the pendency of Docket No. N2012-1. Whether any such relationship exists, however, is not relevant to whether the Load Leveling Plan is consistent with Title 39. The same can be said regarding potential impact, if any, of Network Rationalization on the disproportionate volume delivered on Mondays, as requested in subparts (c) and (d) of PR/USPS-T1-25.

In its Request, the Postal Service identified that the delivery of a disproportionate amount of DSCF Standard Mail on Mondays is due to the relationship between mail entry patterns for DSCF Standard Mail and the applicable 3-day service standard.<sup>10</sup> Witness Malone also testified that a review of the past seven years shows that in every month, the percentage of carriers out after 1700 on Mondays is greater than the rest of the week.<sup>11</sup> An analysis of this factual assertion, which is at the heart of the Postal Service's proposed Load Leveling Plan, would be relevant. An analysis of the impact of Network Rationalization on carrier overtime or Monday volume is not.

## **II. This Docket Is Not The Appropriate Venue To Analyze The Actual Or Anticipated Results Of Network Rationalization.**

As explained in the Postal Service Objections, Network Rationalization was covered extensively in PRC Docket No. N2012-1.<sup>12</sup> In response, the Public Representative asserts that "PR/USPS-T1-25 requests information based on the actual implementation of Phase 1 of the Network Rationalization Initiative."<sup>13</sup> She further asserts that "the delay of Phase 2 implementation was not analyzed in Docket No.

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<sup>10</sup> United States Postal Service Request for an Advisory Opinion on Changes in the Nature of Postal Services ("Request"), PRC Docket No. N2014-1 (Dec. 27, 2013) at 1.

<sup>11</sup> Direct Testimony of Witness Linda M. Malone on Behalf of the Postal Service (USPS-T-1), PRC Docket No. N2014-1 (Dec. 27, 2013) at 16-17. The fact that this trend can be shown for the past seven years, pre-dating Network Rationalization, further highlights the non-relevance of the interrogatory.

<sup>12</sup> Postal Service Objection at 2.

<sup>13</sup> Motion to Compel at 5.

N2012-1.”<sup>14</sup> Whether or not the information specifically requested by the Public Representative was covered in that docket does not make the instant docket the proper place for additional analysis of the Network Rationalization Plan. The recently announced delay in the implementation of Phase 2 of Network Rationalization may be a matter of curiosity to the Public Representative; however, it is a matter that is not relevant to the service change under review in Docket No. N2014-1. Accordingly, discovery in the instant docket should not be expanded for the purpose of exploring matters unrelated to the Load Leveling service change. Moreover, developing a response to PR/USPS-T1-25 would require an in-depth assessment of the results of the ongoing Network Rationalization that would require resources well beyond those justified by the limited scope of this docket.

Finally, the Public Representative does not address the Postal Service’s objection to subparts (b)(iii) and (b)(iv), subpart (d), and subpart (f) of PR/USPS-T1-25. These subparts are irrelevant because they request information regarding Phase 2 of Network Rationalization, which only changes the service standards for First-Class Mail and Periodicals, not Standard Mail – the subject of this docket.<sup>15</sup>

### **III. The Relevance Or Non-Relevance Of A 5-Day Delivery Plan Does Not Demonstrate The Relevance Of Network Rationalization To This Docket.**

The Public Representative asserts that the Postal Service “recognized the importance of analyzing the joint impacts of the Load Leveling Plan and 5-Day Delivery.”<sup>16</sup> She then asserts that the relationship between Network Rationalization and Load Leveling is more relevant than the relationship between 5-Day Delivery and

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<sup>14</sup> *Id.*

<sup>15</sup> Postal Service Objection at 3.

<sup>16</sup> Motion to Compel at 3.

Load Leveling.<sup>17</sup> These assertions are intended to support a position that the interrogatory is relevant to the proceeding. This position is both factually and logically flawed.

The Public Representative mischaracterizes the purpose and the content of the information provided in Library Reference 6. The Postal Service provided that information in response to the PR/USPS-T1-3 which requested, *inter alia*, “all documents pertaining to MTAC Workgroup 157 meetings, including but not limited to meeting minutes, meeting notices, and MTAC presentations.”<sup>18</sup> The fact that some of the meeting minutes address 5-Day Delivery does not mean that the “Postal Service recognized the importance of analyzing the joint impacts of the Load Leveling Plan and 5-Day Delivery” as the Public Representative asserts.<sup>19</sup> For example, Slide 11 of the May 29, 2013 materials in USPS Library Reference N2014-1/6 only indicates that the Postal Service responded to a mailer inquiry about the compatibility of Load Leveling and 5-Day Delivery with a depiction of the latter environment based on the hypothetical assumption that, in a 5-Day Delivery environment, all First-Class Mail volume currently delivered on Saturdays would be delivered on Mondays. Moreover, as indicated in response to PR/USPS-T1-24(f) and (g), the Postal Service has not conducted any study of the impact of 5-Day Delivery on Load Leveling.<sup>20</sup> Finally, this information was provided in response to an interrogatory seeking “all” documents pertaining to the

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<sup>17</sup> *Id.*

<sup>18</sup> Response of United States Postal Service Witness Malone To Public Representative Interrogatories (PR/USPS-T1-1 THROUGH 10) at PR/USPS-T1-3, PRC Docket No. N2014-1 (Jan. 10, 2014); USPS-LR-N2014-1/6.

<sup>19</sup> Motion to Compel at 3.

<sup>20</sup> Responses of United States Postal Service Witness Malone to Public Representative Interrogatories (PR/USPS-T1-24(a) and (d)), PRC Docket No. N2014-1 (Feb. 3, 2014).

Workgroup 157 meetings. It was not provided as a part of the Postal Service's Request. In fact, neither the Request, nor the direct testimony of either witness addressed 5-Day Delivery or Network Rationalization. The facts are that documents responsive to PR/USPS-T1-3 also happen to contain references to 5-Day Delivery and that some very limited consideration of 5-Day Delivery took place during Workgroup 157 consultations. Such facts do not make 5-Day Delivery relevant to this docket, nor do they somehow bestow such relevance to Network Rationalization.

### **Conclusion**

The information requested by PR/USPS-T1-25 is not relevant to this docket, and compelling a response would force this case well beyond the scope of the request. Accordingly, the Motion to Compel should be denied.

Respectfully submitted,

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